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6 February 1961

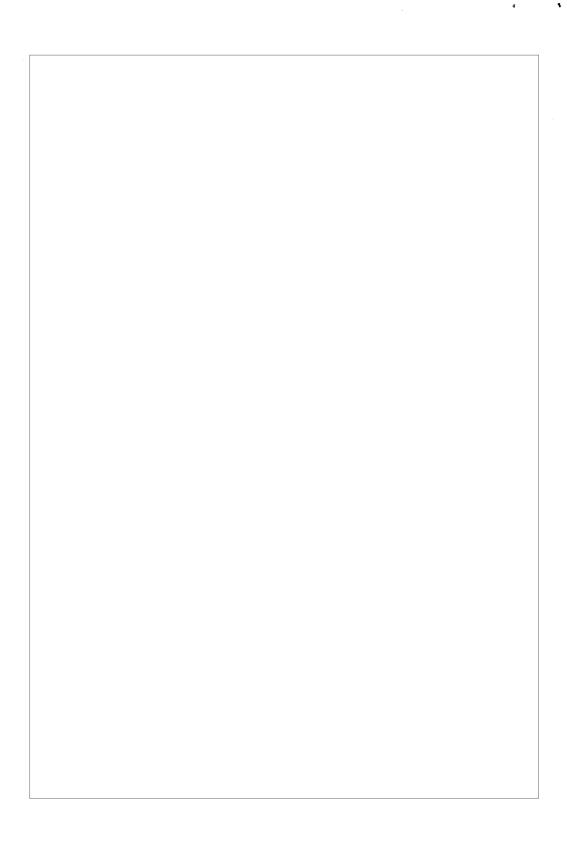
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CENTRAL

INTELLIGENCE

BULLETIN





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USSR: The mission objectives of Sputnik VII, launched from Tyura Tam at about 0115 GMT 4 February (2015 EST, 3 February) are not yet clear. If the primary objective was the demonstration of a more powerful propulsion system, the operation appears to have been successful in orbiting the heaviest payload to date. If in addition, however, a re-entry and recovery were planned, the evidence suggests a failure in this phase. The final stage propulsion system separated from the satellite immediately after launching.

the satellite was stabilized in its

Dirab

flight, while the other piece was tumbling.

Sometime between the 16th and 22nd orbit the number of Sputnik VII pieces increased from two to at least three, and possibly six, although all pieces have continued in essentially the same path. Tenuous evidence, including the continuation in a fixed position of the four Sibir-class missile-range instrumentation ships in the Pacific, suggests that another launching may be attempted in the near future.

(Backup, Page 1) (Chart)

USSR: The German ambassador to Moscow has informed Ambassador Thompson that First Deputy Premier Kosygin told him in answer to a direct question that Khrushchev would attend the General Assembly session. presumably the regular session resuming on 7 March.

Moscow had last 2 previously sparked rumors to this effect through the Sudanese sent of IPS delegate to the UN and the UAR ambassador in Moscow, and,

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in discussing a possible date for the visit to Moscow by the Ceylonese prime minister, the Soviet Foreign Ministry was vague as to Khrushchev's schedule for March.

would not return to New York, the USSR appears to be purposely holding the possibility of such a visit open, perhaps with the final decision dependent on US reaction.

(Backup, Page 3)

Laos: Government forces

the strategic junction of Routes 13 and 7 just north of Phou

Khoun, guarding the western approach to the Plaine des Jar
res area. Kong Le/Pathet Lao troops, after several days

of delaying action, apparently offered little resistance to the filt all gives

government's final move.

the Chinese Nationalist irregulars who are

cently crossed the Burmese 's cently crossed the Burmese's cently crossed the content of the content

the Chinese Nationalist irregulars who recently crossed the Burmese border into Laos may attempt some harassment of the Pathet Lao. President Chiang Kaishek has reportedly ordered the irregulars to regroup and keep their strength intact so that they can survive either in Laos or in Burma.

(Backup, Page 4)

Congo Situation: The generally favorable response in the OK UN to Hammarskjold's suggestion that the Congo crisis be use only lost solved by neutralizing rival Congolese military factions has P. Drief, led to similar but more comprehensive proposals by several UN members. Typical of these is a Nigerian plan which—in addition to neutralizing the Congolese Army and the fighting forces of the several "breakaway states"—would make the sentine."

JN responsible for law and order, permit the release of all use P4 of political prisoners, including Lumumba, and provide for the Backup of ernment would then draft a new federal-type constitution.

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permitting a considerable degree of provincial autonomy and call for general elections under UN sponsorship. Reaction by the Soviet representative at the UN to the neutralization proposal of Hammarskjold has been reserved. The Congolese spokesmen at the UN, when apprised of specific neutralization proposals, strongly objected. Although Gizenga and Tshombe have not released statements on their reactions, a maximum amount of pressure would probably be needed to secure their compliance.

The military situation in the Congo continues to pose difficulties for the UN forces, which have recently been weakened by troop withdrawals. On 4 February, a UN Nigerian unit was ambushed by a pro-Lumumba force near Kindu in Kivu Province. Although an uneasy truce was called after an all-day exchange of fire between the two units, both sides have continued to maintain their battle positions. An improvement in the security of the outlying areas cannot be expected until more troops under UN control arrive in the Congo. Malaya and Liberia have expressed a willingness to supply additional military aid to the UN force, and the Republic of Togo is scheduled to provide a "token" unit.

(Backup, Page 7) (Map)

South Korea: The recent reshuffle of the cabinet, which brought five new ministers and four vice ministers into the government, is an attempt of the Chang Myon administration to rally more parliamentary support. Popular expectations were high following the ouster of Syngman Rhee last April, but the Chang Myon government, beset with factionalism and corruption and handicapped by a demoralized police establishment, has not shown the dynamic leadership needed to gain popular support. Popular demands for reprisals against those associated with the Rhee regime has led to expost facto legislation. Action under these laws could exclude from public life large numbers of the limited supply of trained personnel.

With an assist from a heavy propaganda barrage from the North, the belief is spreading, particularly among younger

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intellectuals, that some accommodation with North Korea offers the solution to South Korea's chronic economic difficulties. Student elements, despite South Korea's continued strong friendship for the United States, are also beginning to blame their country's difficulties on its close ties with the US. (Backup, Page 9)

Arab League: The Arab League, which ended its foreign ministers' conference in Baghdad on 4 February, was again able to create a semblance of unanimity only by approving resolutions concerning opposition to Israeli activities, support for the Algerian rebels, and agreed Arab candidates for UN positions. Five of the 16 resolutions were related to Israel. Continuing intra-Arab differences were reflected in the resolution, which again postponed action on amending the League charter to reduce Nasir's dominance. These differences are also reflected in the resolution which recommended that the Casablanca Conference resolutions merely be conveyed to those Arab governments which had not participated in that conference, instead of approving Nasir's role at Casablanca by endorsing the resolutions. According to a report by Radio Baghdad, the Arab states renewed the oft-broken resolution to suspend radio and press attacks against each other. The important development of the meeting seems to have been the return of Tunicia to active narticipation

OK

Italy: The breakdown of Italo-Austrian negotiations over the status of the German-speaking population in the South

Tirol area of northern Italy has resulted in some local violence and poses a further threat to the stability of the Fanfani last suct cabinet. Bomb explosions of anti-Italian character have taken place in the South Tirol, while students in Rome--encouraged place by neo-Fascists--staged several days of anti-Austrian dem-sentions which on 4 February took an antigovernment turn. Parallel Although Fanfani won parliamentary approval on 4 February

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for his handling of the dispute, the conservative Italian Liberal party has long been uneasy over the domestic policies of his government and may still be tempted to use Fanfani's allegedly "soft" approach on the South Tirol issue as a pretext to dump him.

(Backup, Page 10)

Dominican Republic: Trujillo's continuing transfer of his own and the government's assets into dollars and investments abroad has been on such a "fantastic" scale that the regime is now bankrupt,

foreign ex-

change reserves are now zero, despite recent technical arrangements with foreign banks to make it appear otherwise. Trujillo is probably expecting economic improvement from the current sugar crop-much of which he stands to sell at premium prices in the US market under the present legislative reallocation of the former Cuban sugar quota.

) (Backup, Page 11)

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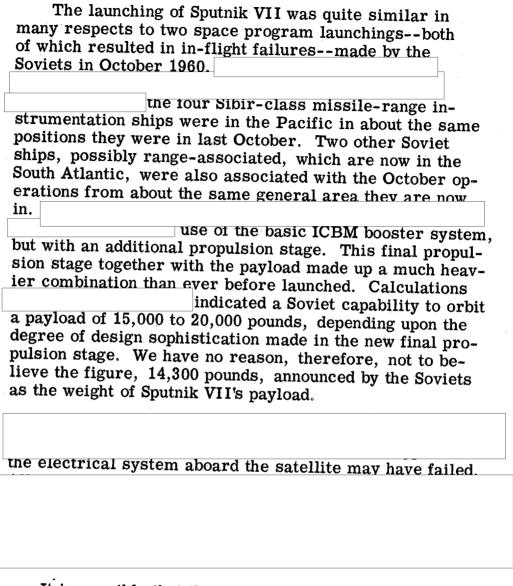
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SOVIET EARTH SATELLITES 1960-1961

	Sputnik IV	Sputnik V	Sputnik VI	Sputnik VII
Date of Launch	15 May 1960	19 Aug. 1960	1 Dec. 1960	4 Feb. 1961
Weight (lbs.)	10,011	10,143	10,050	14,292
Orbit Period (min.)	91.2	90.68	88.6	89.82
Apogee (statute mil	es) 219	196	164	227.5*
Perigee (statute mil	es) 194	196	116	110.8*
			:	*tentative
10205 2				6 FEBRUARY 1961

Launching of Sputnik VII



It is possible that the separation of Sputnik VII into several parts was planned and occurred on the 17th orbit. During this orbit, the satellite passed over the area of the USSR where Sputnik V was recovered last August. The fact that all the various pieces of Sputnik VII appear to be in essentially the same orbit suggests that recovery of this satellite was planned, but that the retro-rocket system failed to operate. It is now anticipated that all parts of Sputnik VII will shortly

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re-enter the atmosphere and burn up, probably in about a week.

Sputnik VII is probably the latest in the series of heavy Soviet satellites in the Soviet man-in-space program. This series began with Sputnik IV, which was launched on 15 May 1960 and which the Soviets subsequently tried but failed to deorbit. The second successful launch in this series was Sputnik V on 19 August 1960. Sputnik V carried a capsule containing two dogs and other biological specimens which was successfully recovered after being in orbit about 24 hours. The Sputnik V launching followed a launching on 24 July which resulted in an in-flight failure but which is believed to have been of an earth satellite vehicle, possibly part of this same series.

ave reache nother atte art or all	ed the earth the empt to orbit of the payload	ch was carrying ne following da an earth satell l is believed to	ly. On 22 Dec lite vehicle fai have been re	ember, led, but
v the Sovie	ets after an 1.	800-mile fligh	ıt.	
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Khrushchev May Attend UN Session

Since the US election, Soviet bloc sources have encouraged speculation that Khrushchev would use the UN as a forum for establishing contact with President Kennedy. Last September, Khrushchev put forward a proposal for a special session of the UN General Assembly in the spring of 1961 to be attended by heads of government for a discussion of disarmament. The Soviet delegation attempted to clear the way for such a session by pressing for an early resumption of the assembly after the holiday recess in order to complete work on all items except disarmament, which would then be considered by the heads of government. Although Foreign Minister Gromyko reiterated this proposal for a special meeting in his foreign policy report to the Supreme Soviet on 23 December, bloc propaganda has not stressed the idea. Instead, Soviet spokesmen have indicated that Khrushchev would return to New York for the resumption of the assembly and would expect to meet with the President.

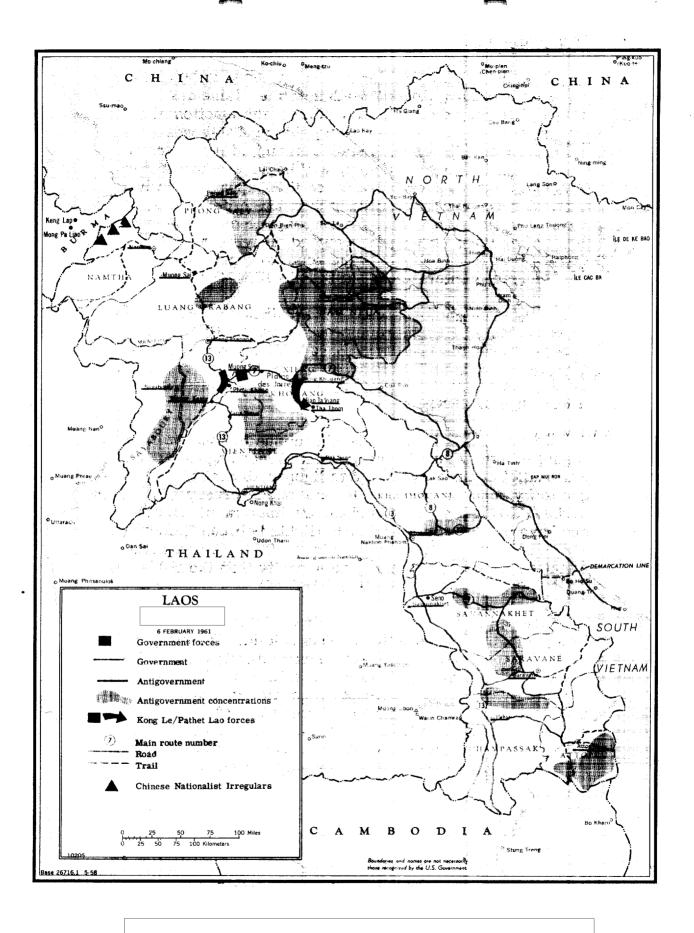
An Izvestia correspondent suggested this procedure although such a meeting could be confined to a general discussion, the two leaders might reach agreement to resume negotiations on Berlin. Shortly before the inauguration, the Soviet military attaché in Turkey stressed to his American counterpart the need for an early meeting between the President and Khrushcev. About the same time, Khrushchev and the satellite leaders will probably return to New York. Soviet officials did not exclude a meeting between Khrushchev and the President. Khrushchev's apparent desire to establish early contact with the President was also reflected in his conversations with Western diplomats at the end of December and in early January. He made it clear, however, that his main purpose would be to lay the groundwork for a four-power summit meeting. While leaving open the possibility of his attendance at the UN, the Soviet leader may wish to avoid a firm commitment to return to New York until he has had more time to estimate the position of the new US administration on specific East-West issues. TOP SECRET

The Situation in Laos

Kong Le/Pathet Lao forces are reported to be moving eastward along Route 7 leading to the Plaine des Jarres following their withdrawal from the junction of this road with Route 13. Artillery fire probably was a major factor in the government's retaking of this point. Some consolidation presumably will be necessary before General Phoumi's forces can press their apparent advantage. Government troops to "push on as far as possible toward Muong Soui" after Phou Khoun was occupied, leaving some troop there and at Muong Kassy to the south to guard against possible enemy counterattacks.	ı- ps
Substantial numbers of Kong Le/Pathet Lao troops co tinue to block the southern approaches to the Plaine des Jarres area in the vicinity of Ban Ta Viang, and the government airstrip at Tha Thom has recently been reported to be under sporadic shelling by 120-mm. mortars.	ī
	_
Soviet IL-14s based in Hanoi continue to conduct supp)ly
flights into the Xieng Khouang area.	
Soviet LI-2s be	mile
gan to fly supply missions into Laos on 2 February. Eight	een
of these aircraft arrived in North Vietnam in mid-Januar	.Λ.
and have been engaged in shuttle flights between Haiphon	
and Hanoi. The LI-2 is similar to the US C-47 and has a	,
slightly smaller cargo-carrying capacity than the IL-14.	
Slightly smaller cargo-carrying capacity than the 11-14.	
General I Fu-en, chief of staff for intelligence of the	بد
Chinese Nationalist Air Force, has said that the irregula	irs
in the Burma-Laos border area have had long and excelle	ent
contacts with Laotian officials in the district adjacent to	
Mekong River and in Vientiane,	m10
	170 P
The general claimed that Phoumi Nosa	
- was an inity tribution inwerd fully in the Mount Se Melluni	

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if the Nationalist troops, pretending to be Laotians, caused the Pathet Lao trouble. He reportedly planned to leave



Taiwan for Bangkok and Vientiane on 2 February to promote closer ties with Phoumi in Vientiane.

(According to one report, Chinese Communist troops supported the Burmese attack on the irregulars at Keng Lap and Mong Pa Liao but have withdrawn from the area and are returning to China. Peiping has made no public reference to the fact that Chinese troops have been involved in action against the irregulars, but the New China News Agency (NCNA) reported on 4 February that irregular forces had withdrawn into Laos following clashes with the Burmese Army. The NCNA dispatch cited Hong Kong press reports to the effect that the irregulars, under Taipei's direction, plan to join the Boum Oum government and fight against the Pathet Lao. Peiping could use the movement of irregulars into Laos as a pretext for more open intervention there but would be unlikely to do so at least until the irregulars become actively engaged in the fighting.

In Vientiane, former Premier Phoui Sananikone is reported anxious to undertake the formation of a more broadly based government under certain conditions. According to one version, these conditions include approval of the Boun Oum government and the United States, participation of Souvanna Phouma, and acceptance of Pathet Lao representatives into the government at some future date. Phoui was forced out of office in late December 1959 as the result of pressure by the army, the King, and General Phoumi's now moribund Committee for Defense of National Interests. As a leader of the moderate, old-guard politicians in Laos, Phoui is probably hopeful that he can emerge as a compromise premier in a broadened government. However, the group he represents has progressively lost ground to extremist forces of both right and left.

There are rumblings of discontent in the Laotian military establishment. Numerous ranking officers have been shunted off to relatively unimportant positions during the course of General Phoumi's purge of those officers who failed to demonstrate unswerving loyalty to him during the period

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Situation in the Congo

The American interest in promoting a new approach to the Congo is meeting with general approval from many UN delegates. Latin American and Scandanavian representatives consulted have expressed general agreement, a UK delegate has recommended to London that the approach be supported, and the UAR representative has characterized it as a "step in the right direction."

The French position is unclear.

Paris probably

would cooperate, but at the meeting in Paris last week of the
foreign ministers of the Community of Six, the French foreign minister was quoted by his Belgian counterpart that
the "UN effort had failed" and that France was considering
extending "bilateral military and other assistance on an adequate scale to Kasavubu and his supporters."

Most representatives of the neutralist Afro-Asian bloc in the UN have stressed the need for Lumumba's release at an early stage and indicated that they would tolerate Belgium's continued presence in the Congo only under strict UN control.

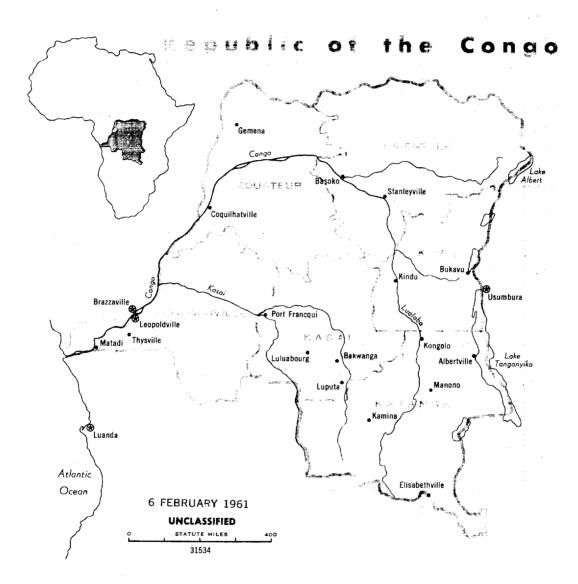
The situation in Katanga continues to be confused.

negotiations between representatives of the Leopoldville and Katanga governments to form a common military front against the Gizenga regime had collapsed. Tshombé, after rejecting Kasavubu's final offer, announced his refusal to send a delegation to the round-table talks scheduled for 15 February.

Since further approaches to Tshombé would prove useless, the Leopoldville government probably would eventually renew its attempt to eliminate Tshombé by armed attack.

Tshombe, however, may believe that his regime will benefit more from Belgian—and possibly French—support than by becoming involved with the distant Leopoldville

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forces. Hammarskjold implied to Ambassador Stevenson on 2 February that Belgian supply efforts to Katanga were of greater magnitude than those to Stanlevville by the IIAR and the bloc. Hammarskjold said UN personnel had observed three Belgian officers aboard the aircraft which bombed Manono last week and had seized at least one crate of arms on a Belgian aircraft which landed at Kitona on 1 February. Five other crates carried by the aircraft are to be inspected, he said,

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South Korean Problems

Since his election by a bare legislative majority last August, Prime Minister Chang Myon has gradually consolidated power by easing factional opponents from the ruling Democratic party and the government, and has increased his support in the 233-member lower house from 118 to 127 seats. Although internal maneuvering against Chang is likely to continue, the new cabinet appointments are aimed at resoring party harmony and securing the passage of the supplementary budget later this month.

The public has been willing to reserve judgment until Chang has had an opportunity to prove himself. However, there are signs of growing impatience with the failure of the administration to satisfy the expectations generated by the April revolution against Syngman Rhee. An increasing number of South Koreans are coming to believe that only unification will solve their economic problems.

South Korea, which has over two thirds of the Korean population but few basic resources, is dependent on the United States for more than 50 percent of its budget and about 90 percent of its imports. Cut off from the Communist-controlled industrial North and saddled with a huge defense burden, South Korea is unlikely to achieve a viable economy soon.

The Chang government, aware of the dangers, has undertaken a series of economic reforms. The effect of these. however, is undermined by factionalism within his party and irresponsible opposition attacks. Unless the administration can win wide public confidence before spring, when food will be in even shorter supply, students and others may again take to the streets. In the event of large-scale disorders, the army may not react with the same restraint and unity it displayed last April.



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Tension Over South Tirol Issue

After years of inconclusive negotiation regarding Italian implementation of the Italo-Austrian pact of 1946-providing special rights for the inhabitants of the former Austrian South Tirol--Austria brought the issue to the UN General Assembly last fall. In line with a UN recommendation, the two countries undertook new and high-level negotiations on 26 January, but the talks broke down after two days. Italy had offered greater administrative powers for Bolzano Province--the heart of the German-speaking area--but Austria had insisted on a kind of local autonomy similar to that of the Italian region of Sicily. This would have required legislative changes.

An Italian delegate who participated in the abortive talks has told US officials that Rome is in "no hurry" to admit that further talks "are hopeless." The government apparently intends to maintain a public posture of holding the door open for further talks while maintaining the status quo in the area.

If the Liberal party--which fears Premier Fanfani will form a center-left reformist government dependent on Nenni Socialist parliamentary support--withdraws from the coalition that supports Fanfani's minority all - Christian Democratic cabinet, the government will be brought down. Discussing the general outlook for the government a few days ago, the secretary of the Christian Democratic party said the situation has become unstable. Although hopeful of saving the government, he spoke of its continued existence in terms of months and weeks.

The neo-Fascist Italian Social Movement, with its prestige revived as a result of having been the sole parliamentary supporter of the Tambroni Christian Democratic government last year, is trying to exploit the situation. The neo-Fascists may provoke further anti-Austrian demonstrations in Rome and probably hope that new clashes will occur in the South Tirol which will require disciplinary measures and draw Italian troops to the area.

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The Dominican Republic's Economic Situation

The 24 January decree naming Generalissimo Trujillo "President of the State Banks" and coordinator of a wide range of institutions dealing with most phases of the country's economic and financial life coincided with reports

that the dictator's financial manipulations had brought the regime to the point of bankruntey. On 27 January, a cabinet minister said that there were virtually no funds left to run the government.

Trujillo's tightened control over the country's economy will enable him better to cover up his recent depredations and mismanagement and to continue to siphon off the country's wealth. During the past 30 years he has amassed a fortune estimated at between \$500,000,000 and \$800,000,-000 and gained personal control over a large portion of the country's agricultural and industrial enterprises. Over the past 13 years all but one of the top officials of the Central Bank have been denigrated and made scapegoats for the government's economic and financial decline.

Few knowledgeable Dominicans interpret Trujillo's financial moves as evidence that he is preparing to flee the country soon—though provision for such a possibility is one of the motives for his transferring large amounts of assets abroad. In fact, Trujillo's present political activities—such as his campaign to pressure the Catholic Church into conferring on him the title of Benefactor of the Catholic Church—suggests that he feels confident of his position.

The controlled press and radio claim to see reason for hope that the new US administration will reverse the previous one's "disastrous" policy of joining in the OAS' diplomatic and economic sanctions against the Dominican Republic. Trujillo's lobbyists in the United States have been actively promoting the contention that recent US policies have been pushing the country toward the Sino-Soviet bloc--a contention that the vindictive Trujillo has himself attempted to prove by instructing his propaganda media to engage in

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pre-Castro and pro-Soviet diatribes and by actively seeking political and economic ties with the Soviet bloc.

Trujillo's main hope of early improvement in the economic situation lies in the sugar crop now being harvested and in the maintenance of existing legislative arrangements governing its marketing in the United States. Under a law which expires on 31 March, the Dominican Republic obtains more than 200,000 tons of the former Cuban sugar quota with its premium of more than 2.5 cents per pound over the world price, in addition to the same premium on the long-standing Dominican sugar quota.

US officials in Ciudad Trujillo report that both the regime and the dissident elements view congressional action on the "windfall quota" as the critical test of US policy toward Trujillo, and that the reaction of the dissidents will be strongly adverse to the US if the "windfall" is continued.

Trujillo has met with at least preliminary success in his effort to circumvent the embargo on sales of petroleum, petroleum products, trucks, and truck spare parts to the Dominican Republic voted by the OAS on 4 January. Oil companies operating in the country have assured him that they can probably be obtained in Europe, though perhaps at higher prices.

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Director of the Budget

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The Department of State

The Secretary of State

The Under Secretary of State

The Deputy Under Secretary of State for Political Affairs

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Atomic Energy Commission

The Chairman

Federal Bureau of Investigation

The Director

National Security Agency

The Director

National Indications Center

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